

# **EXHIBIT KK**

Annual Meeting of Shareholders  
April 24, 2008

Merrill Lynch Headquarters  
4 World Financial Center  
New York, New York

# 2008 Proxy Statement

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Merrill Lynch & Co., Inc.



March 14, 2008

Dear Shareholder:

We cordially invite you to attend our Annual Meeting of Shareholders. We will hold the meeting on Thursday, April 24, 2008 at 8:00 a.m. Eastern time at Merrill Lynch Headquarters, 4 World Financial Center, New York, New York.

At the meeting, you will vote on a number of important matters described in the attached Proxy Statement.

Your vote is very important regardless of the number of shares you own. Even if you plan to attend the meeting in person, please vote your proxy by telephone, on the internet or by completing and returning your proxy card by mail so that we can be assured of having a quorum present to hold the meeting. Instructions on how to vote are included with your proxy card, have been forwarded to you by your bank, broker or other holder of record or can be found on [www.proxyvote.com](http://www.proxyvote.com).

We look forward to your participation in the Annual Meeting, either through your proxy vote or your attendance at the meeting. Seating at the meeting is limited, therefore, if you plan to attend, please notify our Corporate Secretary, Judith A. Witterschein, by mail at Merrill Lynch & Co., Inc., 222 Broadway, 17th Floor, New York, New York 10038-2510, by telephone at (212) 670-0432 or by e-mail at [corporate\\_secretary@ml.com](mailto:corporate_secretary@ml.com).

Sincerely,

John A. Thain  
*Chairman & Chief Executive Officer*



## Company Proposals

### Item 1 — Election of Directors

Our Board of Directors consists of 11 Directors, divided into three classes. One class of Directors is elected each year and each class serves for a term of three years. Set forth below is information regarding each Director, which is based on materials each of them provided for this Proxy Statement.

#### Nominees for Election to the Board of Directors for a Three-Year Term Expiring in 2011

The Board of Directors has nominated each of the persons named below for a three-year term ending in 2011. Each of the nominees has indicated his or her intention to serve if elected. Should any of the Director nominees be unable to take office at the Annual Meeting, your shares will be voted in favor of another person or other persons nominated by the Board of Directors. Each Director will hold office until his or her successor has been elected and qualified or until the Director's earlier resignation or removal.

Name and age	Position, principal occupation, business experience and directorships
<b>Carol T. Christ (63)</b>	<b>President, Smith College</b> <ul style="list-style-type: none"> <li>Director since 2007</li> <li>President, Smith College since June 2002</li> <li>Executive Vice Chancellor and Provost, University of California, Berkeley from 1994 to 2000</li> </ul>
<b>Armando M. Codina (61)</b>	<b>President and Chief Executive Officer of Flagler Development Group</b> <ul style="list-style-type: none"> <li>Director since 2005</li> <li>President and Chief Executive Officer of Flagler Development Group, a real estate investment, development, construction, brokerage and property management company, since 2006</li> <li>Founder, Chairman and Chief Executive Officer of Codina Group, a real estate investment company, from 1979 until its combination with Flagler Development Group in 2006</li> <li>Other Public Company Directorships: AMR Corporation; General Motors Corporation; and The Home Depot, Inc.</li> </ul>
<b>Judith Mayhew Jonas (59)</b>	<b>Corporate Director</b> <ul style="list-style-type: none"> <li>Director since 2006</li> <li>Chairman of the Royal Opera House since 2003</li> <li>Solicitor (England and Wales) since 1993</li> <li>Trustee of Gresham College since 1990</li> <li>Barrister and Solicitor (New Zealand) since 1973</li> <li>Member of the U.K. government's Equalities Review Panel, which was formed to investigate discrimination and inequality in British society, from 2005 to 2007</li> <li>Fellow of Eton College Windsor from 2003 to 2007</li> <li>Provost of Kings College, Cambridge from 2003 to 2006</li> <li>Vice Chair of the London Development Agency, which prepares the mayor's business plan for London, from 2000 to 2004</li> <li>Special Adviser to the Chairman, Clifford Chance, Solicitors, from 2000 to 2003</li> <li>Chair of the Policy and Resources Committee, Corporation of London, from 1997 to 2003</li> </ul>

Name and age	Position, principal occupation, business experience and directorships
<b>John A. Thain (52)</b>	<p><b>Chairman of the Board and Chief Executive Officer of Merrill Lynch &amp; Co., Inc.</b></p> <ul style="list-style-type: none"> <li>▪ Director since December 2007</li> <li>▪ Chairman of the Board and Chief Executive Officer of Merrill Lynch &amp; Co., Inc. since December 2007</li> <li>▪ Chief Executive Officer of NYSE Euronext, Inc., and its predecessors, which operates a group of securities exchanges and offers financial products and services, from 2004 to 2007</li> <li>▪ President (from 1999 to 2004); Chief Operating Officer (from 2003 to 2004); Co-Chief Operating Officer (from 1999 to 2003) of The Goldman Sachs Group, Inc., a financial services firm</li> <li>▪ Other Public Company Directorships: BlackRock, Inc.</li> </ul>

**The Board of Directors recommends a vote FOR  
the election of each of Ms. Christ, Mr. Codina,  
Mrs. Jonas and Mr. Thain to our Board of Directors.**

#### Members of the Board of Directors Continuing in Office

*The following Directors will continue to serve until 2009:*

Name and age	Position, principal occupation, business experience and directorships
<b>Virgis W. Colbert (68)</b>	<p><b>Senior Advisor to Miller Brewing Company</b></p> <ul style="list-style-type: none"> <li>▪ Director since 2006</li> <li>▪ Senior Advisor to Miller Brewing Company, a brewing company, since 2006</li> <li>▪ Executive Vice President of Worldwide Operations for Miller Brewing Company, where he served in a variety of positions, from 1997 to 2005</li> <li>▪ Other Public Company Directorships: The Manitowoc Company, Inc.; Sara Lee Corporation; and The Stanley Works</li> </ul>
<b>Alberto Cribiore (62)</b>	<p><b>Founder and Managing Principal of Brera Capital Partners LLC</b></p> <ul style="list-style-type: none"> <li>▪ Director since 2003; Lead Independent Director since 2007</li> <li>▪ Founder and Managing Principal of Brera Capital Partners LLC, a private equity investment firm, since 1997</li> <li>▪ Co-President of Clayton, Dubilier &amp; Rice, Inc., an equity investment firm, from 1985 to 1997</li> </ul>



Name and age	Position, principal occupation, business experience and directorships
<b>Aulana L. Peters (66)</b>	<b>Corporate Director; Retired Partner of Gibson, Dunn &amp; Crutcher LLP</b> <ul style="list-style-type: none"> <li>▪ Director since 1994</li> <li>▪ Partner in the law firm of Gibson, Dunn &amp; Crutcher LLP from 1980 to 1984 and from 1988 to 2000</li> <li>▪ Member, International Public Interest Oversight Board, an entity charged with overseeing the development of and compliance with international auditing, assurance and ethics standards issued by the International Federation of Accountants, since 2005</li> <li>▪ Member, Public Oversight Board of AICPA, a professional association for Certified Public Accountants in the U.S., from 2001 to 2002</li> <li>▪ Commissioner of the U.S. Securities and Exchange Commission from 1984 to 1988</li> <li>▪ Other Public Company Directorships: 3M Company; Deere &amp; Company; and Northrop Grumman Corporation</li> </ul>
<b>Charles O. Rossotti (67)</b>	<b>Senior Advisor to The Carlyle Group</b> <ul style="list-style-type: none"> <li>▪ Director since 2004</li> <li>▪ Senior Advisor to The Carlyle Group, a private global investment firm, since 2003</li> <li>▪ Commissioner of Internal Revenue at the Internal Revenue Service from 1997 to 2002</li> <li>▪ Founder, Chairman of the Board, President and Chief Executive Officer of American Management Systems, an international business and information technology consulting firm, from 1970 to 1997</li> <li>▪ Other Public Company Directorships: AES Corporation</li> </ul>

*The following Directors will continue to serve until 2010:*

Name and age	Position, principal occupation, business experience and directorships
<b>John D. Finnegan (59)</b>	<b>Chairman of the Board, President and Chief Executive Officer of The Chubb Corporation</b> <ul style="list-style-type: none"> <li>▪ Director since 2004</li> <li>▪ Chairman of the Board (since 2003); President and Chief Executive Officer (since 2002) of The Chubb Corporation, a property and casualty insurance company</li> <li>▪ Executive Vice President of General Motors Corporation, a company primarily engaged in the development, manufacture and sale of automotive vehicles, from 1999 to 2002</li> <li>▪ Chairman and President of General Motors Acceptance Corporation, a financing subsidiary of General Motors Corporation, from 1999 to 2002</li> <li>▪ Other Public Company Directorships: The Chubb Corporation</li> </ul>

Name and age	Position, principal occupation, business experience and directorships
<b>Joseph W. Prueher (65)</b>	<p><b>Corporate Director; Former U.S. Ambassador to the People's Republic of China</b></p> <ul style="list-style-type: none"> <li>▪ Director since 2001</li> <li>▪ Consulting Professor and Senior Advisor at the Stanford University Center for International Security and Cooperation since 2001</li> <li>▪ U.S. Ambassador to the People's Republic of China from 1999 to 2001</li> <li>▪ Lecturer and Senior Advisor to the Stanford-Harvard Defense Project since 1999</li> <li>▪ U.S. Navy Admiral (Retired), Commander-in-Chief of U.S. Pacific Command from 1996 to 1999</li> <li>▪ Other Public Company Directorships: Emerson Electric Company; Fluor Corporation; and DynCorp International</li> </ul>
<b>Ann N. Reese (55)</b>	<p><b>Co-Founder and Co-Executive Director of the Center for Adoption Policy</b></p> <ul style="list-style-type: none"> <li>▪ Director since 2004</li> <li>▪ Co-Founder and Co-Executive Director of the Center for Adoption Policy, a not-for-profit corporation, since 2001</li> <li>▪ Principal, Clayton, Dubilier &amp; Rice, Inc., an equity investment firm, from 1999 to 2000</li> <li>▪ Executive Vice President and Chief Financial Officer of ITT Corporation, a hotel and leisure company, from 1995 to 1998</li> <li>▪ Other Public Company Directorships: Jones Apparel Group, Inc.; Sears Holdings Corporation; and Xerox Corporation</li> </ul>



**Item 2 — Ratification of the Appointment of Deloitte & Touche LLP  
as the Independent Registered Public Accounting Firm**

The Audit Committee of the Board of Directors has appointed Deloitte & Touche LLP as the independent registered public accounting firm for the 2008 fiscal year. We are submitting selection of the independent registered public accounting firm for shareholder ratification at the Annual Meeting.

The Audit Committee will consider the outcome of this vote in its decision to appoint an independent registered public accounting firm next year; however, since our By-Laws do not require that our shareholders ratify the appointment of the independent registered public accounting firm, the Audit Committee is not bound by the shareholders' decision. Even if the selection is ratified, the Audit Committee, in its sole discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of our Company and our shareholders.

Representatives of Deloitte & Touche LLP will attend the Annual Meeting. These representatives will have the opportunity to make a statement and will be available to respond to appropriate questions.

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**The Board of Directors recommends a vote FOR  
the ratification of the appointment of Deloitte & Touche LLP  
as the Independent Registered Public Accounting Firm.**



## Board Committees

**Membership and Meetings.** The Board of Directors has appointed five standing committees: the Audit Committee; the Finance Committee; the MDCC; the Nominating Committee; and the Public Policy and Responsibility Committee. Each of these Board Committees consists entirely of independent Directors and operates under a written charter, which sets forth the Committee's authorities and responsibilities. For information on how to obtain a copy of any Committee charter, see "Questions and Answers — How can I obtain copies of Merrill Lynch's corporate governance documents?" in this Proxy Statement.

The following table shows the current membership of each of our Board Committees.

	Audit Committee	Finance Committee	Management Development and Compensation Committee	Nominating and Corporate Governance Committee	Public Policy and Responsibility Committee
John A. Thain (Chairman and CEO)					
Carol T. Christ					✓
Armando M. Codina			✓	Chair	
Virgis W. Colbert			✓	✓	✓
Alberto Cribiore (Lead Independent Director)		✓	✓	✓	
John D. Finnegan		✓	Chair	✓	
Judith Mayhew Jonas	✓				✓
Aulana L. Peters			✓		✓
Joseph W. Prueher	✓				Chair
Ann N. Reese	Chair	✓			
Charles O. Rossotti	✓	Chair			

**Descriptions.** A brief description of our Board Committees and certain of their principal functions are set forth in the following sections. The descriptions are qualified in their entirety by the full text of the Board Committee charters.

**The Audit Committee** consists of four of our independent Directors and met 11 times during the 2007 fiscal year. This Committee:

- appoints the independent registered public accounting firm, reviews the scope of the audit, approves the fees and regularly reviews the qualifications, independence and performance of the independent registered public accounting firm;
- pre-approves all audit services proposed to be rendered by any accounting firm and all permitted non-audit services proposed to be rendered by the independent registered public accounting firm and the fees for such services;
- meets to review and discuss our consolidated financial statements with management and the independent registered public accounting firm, including significant reporting issues and judgments made in connection with the preparation of our consolidated financial statements and the disclosures contained in our SEC filings, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations";
- reviews and discusses with the independent registered public accounting firm, among other things, the critical accounting policies applicable to the Company, alternative accounting treatments within generally accepted accounting principles and other material written communications between the independent registered public accounting firm and management;
- reviews our earnings press releases and other material financial information;
- reviews budgeting and expense allocation processes applicable to our securities research group to ensure compliance with legal and regulatory requirements;
- oversees the internal audit function, including participating in the appointment of the Head of our Corporate Audit Department, and considers the adequacy of our internal controls;
- reviews the framework established by management to assess and manage the major categories of risk affecting our Company; in addition, the Audit Committee reviews our Company's policies and processes for managing operational, legal and reputation risk, while the Finance Committee reviews our Company's policies and procedures for managing exposure to market and credit risk;



- oversees our compliance function and the adequacy of our procedures for compliance with our policies, as well as with legal and regulatory requirements; and
- monitors the receipt, retention and treatment of concerns relating to accounting, internal accounting controls and auditing matters reported by employees, shareholders and other interested parties.

**The Finance Committee** consists of four of our independent Directors and met 12 times during the 2007 fiscal year. This Committee:

- reviews, recommends and approves policies and procedures regarding financial commitments and investments;
- reviews and approves financial commitments, acquisitions, divestitures and proprietary investments in excess of certain specified dollar amounts;
- reviews our financial and operating plan;
- reviews our financing plan, including funding and liquidity policies and programs;
- reviews our insurance programs;
- oversees our balance sheet and capital management including categories of assets and liabilities and commitment levels and measures of capital adequacy;
- reviews and recommends capital management policies related to our common stock, including dividend policy, repurchase programs and stock splits;
- authorizes the issuance of preferred stock within limits set by the Board, declares and pays dividends on preferred stock and takes other related actions with respect to our preferred stock, including authorizing repurchase programs; and
- reviews our policies and procedures for managing exposure to market and credit risk and, when appropriate, reviews significant risk exposures and trends in these categories of risk.

**The Management Development and Compensation Committee** consists of five of our independent Directors and met 13 times during the 2007 fiscal year. This Committee:

- reviews management development and succession programs and policies, as well as all appointments of officers with the title Managing Partner and above (senior management), and reviews and recommends to the Board all appointments of executive management;
- approves annual corporate goals and objectives for our Chairman and CEO and evaluates his performance against these goals;
- approves annual performance-based compensation for the Chairman and CEO, other members of executive management and members of senior management;
- recommends that the Board of Directors approve salaries and ratify annual performance-based compensation for the Chairman and CEO and other members of executive management;
- approves the aggregate dollar amounts of bonus compensation to be paid to employees and the proportion of such dollar amounts that will be paid in the form of stock compensation in lieu of cash;
- administers stock and stock-based compensation plans, including approving stock bonus amounts for all employees and the terms and conditions of such awards;
- reviews compensation programs, policies and accruals to align them with our annual and long-term goals and the interests of our shareholders;
- reviews performance evaluation and compensation policies, plans and processes applicable to research analysts within the securities research group to ensure compliance with legal and regulatory requirements;
- reviews and approves changes to benefit plans that result in the issuance of stock or material changes to the benefits provided to employees;
- has sole authority to retain consultants having special competence to assist the MDCC, including sole authority to approve any such consultant's fee and other retention terms;
- reviews the section of our Proxy Statement entitled "Compensation Discussion and Analysis", discusses that section with members of management and recommends its inclusion in the Proxy Statement; and
- carries out the functions described below under the caption "Compensation Processes and Procedures."

## Audit Committee Report

The Audit Committee is comprised of four independent Directors and operates under a written charter. The Audit Committee held 11 meetings in 2007. The meetings facilitated communication with senior management and employees, the internal auditors and Deloitte & Touche LLP (Deloitte & Touche), the Company's independent registered public accounting firm. The Audit Committee held discussions with the internal auditors and Deloitte & Touche, both with and without management present, on the results of their audits and the overall quality of the Company's financial reporting and internal controls.

The Audit Committee has the sole authority to appoint or replace the independent registered public accounting firm and is directly responsible for the oversight of the scope of its role and the determination of its compensation. The Audit Committee regularly evaluated the performance and independence of Deloitte & Touche and, in addition, reviewed and pre-approved all services provided by Deloitte & Touche, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the Deloitte Entities) during 2007. The Audit Committee also has considered whether the provision of non-audit services by the Deloitte Entities is compatible with maintaining Deloitte & Touche's independence and affirmed Deloitte & Touche's independence.

As stated in its charter, the Audit Committee's role is one of oversight. It is the responsibility of Merrill Lynch's management to establish and maintain a system of internal control over financial reporting, to plan and conduct internal audits and to prepare consolidated financial statements in accordance with U.S. generally accepted accounting principles. It is the responsibility of the independent registered public accounting firm to audit those financial statements and opine upon the effectiveness of the internal control over financial reporting as of each fiscal year end. The Audit Committee does not provide any expert or other special assurance as to the Company's financial statements or any expert or professional certification as to the work of the Company's independent registered public accounting firm.

In fulfilling its responsibilities, the Audit Committee has met and held discussions with management and Deloitte & Touche regarding the fair and complete presentation of Merrill Lynch's financial results. The Audit Committee has discussed significant accounting policies applied by the Company in its financial statements, as well as alternative accounting treatments. The Audit Committee has met to review and discuss the annual audited and quarterly condensed consolidated financial statements for Merrill Lynch for the 2007 fiscal year (including the disclosures contained in the Company's 2007 Annual Report on Form 10-K and its 2007 Quarterly Reports on Form 10-Q, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations") with Merrill Lynch's management and Deloitte & Touche. The Audit Committee also reviewed and discussed with management, the internal auditors and Deloitte & Touche, the reports required by Section 404 of the Sarbanes-Oxley Act of 2002, namely, management's annual report on the Company's internal control over financial reporting and Deloitte & Touche's associated attestation report.

The Audit Committee has discussed with Deloitte & Touche the matters required to be discussed by professional and regulatory requirements, including, but not limited to, Statement of Auditing Standards No. 61, as amended and adopted by the Public Company Accounting Oversight Board. In addition, the Audit Committee has received written disclosures and the letter from Deloitte & Touche as required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," as modified or supplemented, and has discussed with Deloitte & Touche its independence with respect to the Company and the Company's management.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements for Merrill Lynch as at and for the fiscal year ended December 28, 2007 be included in the Company's 2007 Annual Report to Shareholders and incorporated by reference into the Company's 2007 Annual Report on Form 10-K.

### Audit Committee

Ann N. Reese, Chair  
 Judith Mayhew Jonas  
 Joseph W. Prueher  
 Charles O. Rossotti



## Beneficial Ownership of Our Common Stock

### Ownership by Our Directors and Executive Officers

We believe that share ownership by Directors, officers and employees helps to align their interests with the interests of shareholders. The following table contains information about the beneficial ownership of our common stock by each of the Directors and the named executive officers and by all Directors and executive officers considered as a group. In addition, we have provided information about ownership of certain stock units that provide economic exposure to our common stock but do not represent actual beneficial ownership of shares. Information for the current Directors and executive officers, Mr. Edwards and Mr. Fakahany is as of February 26, 2008, the record date. Information for Mr. Kim and Mr. O'Neal's common stock ownership is as of their termination dates, November 16, 2007 and October 30, 2007, respectively.

### Amount and Nature of Beneficial Ownership

Name	Position	Total Beneficial Ownership(1)	Common Stock(2)	Stock Options(3)	Stock Units(4)
Nelson Chai	Executive Vice President & Chief Financial Officer	380,753	98,977	278,832	22,485
Carol T. Christ	Director	–	–	–	2,545
Armando M. Codina	Director	10,000	10,000	–	10,327
Virgis W. Colbert	Director	42	42	–	3,492
Alberto Cribiore	Director	43,333	35,000	8,333	18,068
John D. Finnegan	Director	3,554	–	3,554	9,404
Gregory J. Fleming	President & Chief Operating Officer	855,738	600,941	1,441,997	–
Robert J. McCann	Executive Vice President	1,182,850	524,165	1,630,031	–
Judith Mayhew Jonas	Director	–	–	–	3,492
Aulana L. Peters	Director	5,647	5,647	–	32,022
Joseph W. Prueher	Director	18,755	2,023	16,732	11,409
Ann N. Reese	Director	6,992	4,480	2,512	9,037
Charles O. Rossotti	Director	7,012	4,500	2,512	12,621
John A. Thain	Director, Chairman & Chief Executive Officer	24,471	10,199	1,842,815	530,869
Jeffrey N. Edwards	Senior Vice President & former Chief Financial Officer	798,258	455,555	612,522	–
Ahmass L. Fakahany	Former Co-President & Co-Chief Operating Officer	880,384	541,910	338,474	–
Dow Kim	Former Executive Vice President	604,088	583,260	20,828	–
E. Stanley O'Neal	Former Director, Chairman & Chief Executive Officer	3,248,763	1,363,874	1,884,889	–
Directors and executive officers as a group		9,678,168	4,704,761	8,952,501	665,777

(1) This column presents the total shares of common stock that are beneficially owned or can be acquired within 60 days of the record date. No individual Director or executive officer beneficially owns more than 1% of our outstanding common stock. The Directors and executive officers as a group beneficially own approximately 0.99% of our outstanding common stock. None of our Directors or executive officers has pledged any of our common stock as security.

(2) Except as noted, the Directors and executive officers have sole voting and investment power over the shares of common stock listed. Of the common stock held by Mrs. Peters, 4,980 shares are held in a trust for which she has shared voting and investment power.

(3) This column includes stock options held by the Directors and executive officers that are exercisable as of the record date or within 60 days of the record date, and are, therefore, also included in the Total Beneficial Ownership column. The number of stock options exercisable as of the record date or within 60 days of the record date are as follows: Mr. Chai 2,944; Mr. Cribiore 8,333; Mr. Edwards 342,703; Mr. Fakahany 338,474; Mr. Finnegan 3,554; Mr. Fleming 254,797; Mr. Kim 20,828; Mr. McCann 658,685; Mr. O'Neal 1,884,889; Adm. Prueher 16,732; Mrs. Reese 2,512; Mr. Rossotti 2,512; Mr. Thain 14,272; and Directors and executive officers as a group 3,826,105.

(4) Stock units are linked to the value of our common stock and generally are paid in shares of common stock at the end of the applicable restricted or deferral period. None of the stock units are payable within 60 days of the record date.

## Option Exercises and Stock Vested

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise(1)	Value Realized on Exercise(2)	Number of Shares Acquired on Vesting(3)	Value Realized on Vesting(3)
John A. Thain	–	\$ –	–	\$ –
Nelson Chai	–	–	–	–
Gregory J. Fleming	–	–	80,109	7,418,093
Robert J. McCann	82,344	4,695,924	79,287	7,341,976
Jeffrey N. Edwards	–	–	66,817	6,187,254
E. Stanley O'Neal	199,650	10,148,958	203,296	18,825,210
Ahmass L. Fakahany	35,594	2,080,224	102,076	9,452,238
Dow Kim	161,066	4,950,310	127,961	11,849,189

(1) Total number of shares underlying options exercised in 2007.

(2) The options were exercised using net share settlement (options were exchanged for shares with a fair market value equal to the net exercise value after withholding taxes). Amounts in this column reflect the difference between the fair market value on the date of each exercise and the exercise price of the options exercised, multiplied, in each case, by the number of options exercised.

(3) Represents restricted shares that vested on January 31, 2007. The number of shares that vested includes shares withheld by Merrill Lynch to satisfy federal, state and local tax withholding requirements. The value of the shares at vesting is based on the average of the high and low prices of our common stock on the vesting date (\$92.60).

## Pension Benefits

Name	Plan Name(1)(2)	Number of Years Credited Service	Present Value of Accumulated Benefit(1)(2)	Payments During Last Fiscal Year
John A. Thain (3)	n/a	n/a	\$ n/a	n/a
Nelson Chai (3)	n/a	n/a	n/a	n/a
Gregory J. Fleming (3)	n/a	n/a	n/a	n/a
Robert J. McCann	Met Annuity	n/a	101,243	–
Jeffrey N. Edwards	Met Annuity	n/a	2,292	–
E. Stanley O'Neal	Executive Annuity	21	23,649,447	–
	Met Annuity	n/a	37,033	–
Ahmass L. Fakahany	Met Annuity	n/a	4,104	–
Dow Kim (3)	n/a	n/a	n/a	n/a

n/a = not applicable

(1) In January 2002, Merrill Lynch entered into an annuity agreement with Mr. O'Neal that provides for supplemental annuity payments (Executive Annuity). As a result of his retirement on October 30, 2007, Mr. O'Neal became eligible to receive an annual benefit of \$1,649,112 payable as a 100% joint and survivor life annuity. Payments will not commence until May 2008.

The assumptions used in determining the present value of these future payments under the Executive Annuity Agreement as of September 30, 2007 are as follows: (i) a discount rate of 6%; (ii) an assumed life expectancy based on RP-2000 mortality tables with white-collar adjustment projected to 2012; (iii) payment as a 100% joint and survivor annuity; (iv) his retirement on October 30, 2007 at age 56; and (v) assumed offsets for Mr. O'Neal's social security benefit and retirement and annuity payments under Merrill Lynch retirement plans as required under the Executive Annuity Agreement. The actuarial present value is shown assuming a retirement age of 56 instead of an assumed standard retirement age of 65. Other than the retirement age, these assumptions and this measurement date are the same as those used in footnote 12 to the Consolidated Financial Statements included in our 2007 Annual Report.

(2) In 1988, we terminated our broad-based defined benefit pension plan. In order to pay vested pension plan benefits, we purchased a group annuity contract from Metropolitan Life Insurance Company (Met Annuity) with a portion of the terminated pension plan assets. Under a supplemental agreement, the Company may recognize gains or losses to the extent that the experience of its employee population and investment performance of the annuity assets are higher or lower than assumptions that are based on actuarial and investment estimates. Mr. McCann, Mr. Edwards, Mr. O'Neal and Mr. Fakahany are eligible for payments under the Met Annuity. The amounts shown are present values of accrued benefits as of September 30, 2007 that would be payable annually if the payments commenced at age 65. These amounts were fixed at the time of the purchase of the annuities and reflect an offset for estimated social security benefits as required by the terms of the annuity. The amounts shown are present values of accrued